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UK's December 2005 "Vision for the CAP" criticized by Fischer Boel

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Report Highlights:

European Commissioner for Agriculture, Mariann Fischer Boel, has made a scathing attack on the UK Government's "Vision for the CAP" paper. Speaking to the UK Parliament's Environment, Food and Rural Affairs Committee, she said that it lacked detailed analysis to support its assumptions and conclusions. Expressing concern that without farm support of some form the EU would face widespread land abandonment, Fischer Boel called for a debate before there are any further changes to the CAP. She cited the 2008 CAP "health check" as an integral part of this process.

Includes PSD Changes: No
Includes Trade Matrix: No
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[UK]

European Commissioner for Agriculture, Mariann Fischer Boel, has made a scathing attack on the UK Government's "Vision for the CAP" paper. She was giving evidence to the UK Parliament's Environment, Food and Rural Affairs (EFRA) Committee on Monday, October 16, 2006. Her evidence session was part of the EFRA Committee's inquiry into the December 2, 2005, HM Treasury and Defra joint paper, 'A Vision for the Common Agricultural Policy'. That paper's stated goal was to stimulate debate by describing where the UK Government is aiming to get to, in terms of European agricultural policy reform, in 10 to 15 years' time.

Speaking to the Committee, Mrs. Fischer Boel said that she did not believe the report's assumptions and conclusions¹ had been fully thought through and that they were not coherent when taken as a whole. She questioned whether the UK Government had undertaken any detailed analysis in producing the paper and called on them to supply evidence of their claims. She argued that without direct payments, EU farmers would be unable to compete at world prices, many farms would be unviable and there would be widespread land abandonment. She also expressed concern for the environment; that without direct payments there would be no cross-compliance; and while some areas would cease agricultural production altogether, there would be intensification of farming in others. Asked about her own vision for the CAP, Mrs. Fisher Boel said that she wanted an EU agricultural sector that produced high quality products both for the internal market and for export, that safeguarded the future of rural areas as an amenity and contained small, family farms as well as large, commercial farms.

Although very critical of the UK paper, Mrs. Fischer Boel did acknowledge that it was important to have a debate over the future of the CAP. Citing the 2008 CAP "health check" as an integral part of this process, she emphasized that this would not be a full-scale reform (as was the case in 2003) but an opportunity to fine-tune the system. While the Committee asked her how she would respond to a "health check" that revealed deep and fundamental flaws in the current system, Mrs. Fischer Boel chose to focus on results that required incremental changes. Examples given included a further move towards full rather than partial decoupling, the possible scrapping of set-aside, and a reassessment of the role of intervention and quotas. In the longer term, Mrs. Fischer Boel stated that she was keen to see an increase in compulsory modulation; and a move towards flat-rate area payments on a country-by-country basis, arguing that historically based payments will be increasingly difficult to justify. She told the Committee that she would fight any efforts to re-nationalize EU farm policy.

Pressed by the Committee on the cost of the CAP, Mrs. Fisher Boel highlighted that the mid-term review of the EU budget in 2009 would provide an opportunity to look at the level of funding for the CAP. While indicating that she would vigorously defend maintaining the budget in its current form until the end of this funding period in 2013, she did accept that a reduction in the amount available for direct payments beyond that date was inevitable.

¹ The UK paper argued that the CAP is the most visible and expensive common policy of the EU but creates international tensions with trading partners. Further, it imposes significant costs on developing countries, substantial costs on consumers and taxpayers, is inefficient in delivering support to farmers and, rather than promoting an attractive rural environment, has a negative impact on the environment. The paper goes on to question the justification for existing expenditure in Pillar I of the CAP (market support and direct payments) and envisages an agricultural sector in 10 to 15 years which is internationally competitive and non-trade distorting without reliance on subsidy or protection - no price support, export refunds or other production or consumption subsidies, and reduced and aligned import tariffs with other sectors of the economy. The paper suggests the agricultural sector should be rewarded by the market for its outputs, not least safe and good quality food, and by the taxpayer only for producing societal benefits that the market cannot deliver.